

# U.S. Environmental Protection Agency

## Office of Inspector General

### Infrastructure Investment and Jobs Act Reporting

This is the first quarterly report from the U.S. Environmental Protection Agency Office of Inspector General pursuant to the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2023. This report presents cumulative data on the EPA OIG's activities and expenditures of funds appropriated under the Infrastructure Investment and Jobs Act. In addition, today, we issued the *Infrastructure Investment and Jobs Act Progress Report—Year One*, which provides an overview of our oversight of the EPA's IIJA funding and includes a current list of planned, ongoing, and completed projects related to IIJA oversight.

Fiscal year 2023 marks the second year of the EPA's IIJA funding in what will ultimately be an unprecedented \$60 billion appropriated to the Agency to implement infrastructure-related projects. The IIJA provided the EPA OIG with \$64.6 million in FY 2022 and \$49.4 million in FY 2023. As of February 28, 2023, the EPA OIG had obligated approximately \$5.5 million and expended approximately \$5.3 million.

The table below provides an overview of the EPA OIG's execution of IIJA funding as of February 28, 2023, which is the most recent month-end accounting data available.

#### Quarterly Report on the Execution of EPA OIG IIJA Funds as of February 28, 2023

\$ in thousands

Activity	Allocation	Obligation	Outlay	Travel	Conferences <sup>1</sup>	IIJA FTEs <sup>2</sup>	Core FTEs <sup>3</sup>
Office of Audit	\$32,337	\$1,363	\$1,357	\$8	\$40	9.3	102.1
Office of Special Review and Evaluation	\$26,132	\$890	\$890	\$5	\$19	10.7	42.8
Office of Investigations	\$24,022	\$1,370	\$1,249	\$113	\$98	8.6	50.1
Support Office Activities <sup>4</sup>	\$31,505	\$1,838	\$1,837	\$3	\$24	13.2	81.2
Total	\$113,996	\$5,461	\$5,333	\$129	\$181	41.8	276.2

<sup>1</sup> Conference numbers include conference-related travel and fees, but not employee pay.

<sup>2</sup> IIJA Full-Time Equivalent numbers reflect the total number of FY 2023 hours charged to IIJA funds by all EPA OIG personnel for each activity, divided by the number of compensable hours corresponding to an FTE in a pay period (80), divided by the number of completed FY 2023 pay periods as of February 28, 2023 (10).

<sup>3</sup> Core FTE numbers reflect the same calculation methodology as the IIJA FTE numbers. Congress previously requested that the EPA OIG report quarterly on core FTEs. We will incorporate core FTE reporting in our quarterly IIJA reports to consolidate these requirements. Unlike previous reporting of this information as the number of people onboard, going forward our reporting will reflect core FTEs using the above definition. Please note that, other than the core FTE reporting, the information provided in this report is exclusively for IIJA funding.

<sup>4</sup> Support Office Activities include the EPA OIG Immediate Office, Office of Mission Support, Office of Strategic Analysis and Results, Office of Information Technology, Office of Counsel, and Office of Congressional and Public Affairs.

The *IIJA Progress Report—Year One* discusses, among other things, our long-term plan for resource expenditure for IIJA oversight, which we expect could extend more than ten years. Following enactment of the IIJA in November 2021, we immediately began laying the groundwork for oversight. Our goal was to be ready to provide relevant, comprehensive oversight work as soon as the EPA began implementing IIJA projects. In years 1

and 2, while the EPA prepared to conduct its IIJA programmatic work, we issued initial capping reports. We also combed through our extensive body of previous oversight, as well as relevant work from the U.S. Government Accountability Office, to identify good governance practices, publishing four lessons-learned reports to help the EPA avoid historical pitfalls that could endanger the effectiveness of IIJA investments. The *IIJA Progress Report—Year One* provides information regarding our ongoing and planned IIJA oversight projects, as of February 28, 2023. We will continue to evaluate areas of highest risk in the EPA’s execution of IIJA funding to identify opportunities for oversight.

Strategic outreach has been an important component of our oversight efforts. Our Offices of Audit and Special Review and Evaluation have engaged in more than 20 outreach activities with the Agency, other OIGs, the Government Accountability Office, Congress, and state stakeholders. These offices have also conducted joint program review meetings, engaging with the Office of Management and Budget and the Agency to discuss program design, risk mitigation, financial controls, data, tracking, and reporting for implementing the IIJA. As of February 28, 2023, our investigators and auditors have hosted 168 IIJA-related fraud awareness briefings throughout the country, reaching more than 3,700 attendees, including EPA staff, state grant applicants, and grant recipients.

As part of our good governance, we continuously review and assess our expenditures to ensure an accurate accounting and the appropriate use of funds received. To this end, as the EPA’s expenditure of IIJA funds increases and our IIJA oversight activities and operation mature, we will regularly reiterate and refine guidance to EPA OIG personnel to ensure the propriety of our IIJA expenditures. Thank you for your continued interest in, and support of, the EPA OIG.